THE LABOR MARKET REPORT

TENNESSEE

A MONTHLY PUBLICATION OF THE TENNESSEE DEPARTMENT OF EMPLOYMENT SECURITY AFFILIATED WITH THE U.S. DEPARTMENT OF LABOR

DATA: JULY 1979 RELEASE DATE: SEPTEMBER 1979

State unemployment on the rise. Tennessee's unemployment rate increased to 6.8 percent during July, a full percentage point over June's revised rate of 5.8 percent. This marked the first time since January that the state rate has exceeded that for the nation. Tennessee's unemployment rate one year ago was 6.8 percent. The number of unemployed underwent a typical seasonal increase as it reached 136,500.

U. S. unemployment rate drops slightly. The nation's unemployment rate dropped to 5.8 percent during July; 0.2 percent below June's figure. The U. S. rate for July, 1978 was 6.3 percent.

CPI continues rapid rise. For the sixth consecutive month the Consumer Price Index for both Urban Consumers and Urban Wage Earners and Clerical Workers rose by at least one percent. The Urban Consumers Index rose 1.1 percent to 218.9 while the Urban Wage Earners and Clerical Workers Index increased 1.2 percent to 219.4. Over the year the increases have been 11.3 percent and 11.5 percent respectively.

Living costs up approximately 119 percent since '67. That is the indication as shown by the overall increase for all items measured by the Consumer Price Index. The overall category showing the greatest increase during this period was medical care with an increase of approximately 140 percent. The major category showing the least cost increase since 1967 was apparel and upkeep with a rise of approximately 64 percent.

Claims up 97 percent. Initial claims almost doubled during July, jumping from last month's 34,822 to 68,709. For July of last year there were 53,190 initial claims.

Jackson leads unemployment rate. Jackson county's unemployment rate for July jumped to 25.2 percent. This was the highest rate for any county since January, 1975 when Green county reported an unemployment rate of 27.0 percent. The high rate was largely the result of temporary and permanent closings of plants in the county.

Benefit check down, trust fund up. July's average benefit check was $68.68; down 26 cents from the previous month. The trust fund gained 3.7 million as it reached 258.5 million.

LAMAR ALEXANDER, GOVERNOR ROBERT J. BIBLE, COMMISSIONER

For additional information write Joe S. Cummings, Chief of Research and Statistics, Department of Employment Security, Nashville, Tn. 37219

STATEWIDE

EMPLOYMENT Tennessee's labor force went past the two million mark during July as it reached 2,016,100. Nonagricultural employment lost 20,600 workers during the month. Both manufacturing and nonmanufacturing experienced losses with the former down 8,000 and the latter down 12,600. The largest loss occurred in government with a reduction of 12,100 employees. The next greatest loss occurred in apparel with 3,800 fewer workers. The most substantial increase occurred in the rubber industry. The trade industry remained the largest employer with 368,600, while the petroleum refining industry employed the fewest with 900 workers.

OVER THE YEAR The state's labor force has increased 104,500 over the past year. Of that number, 98,500 are employed while 6,000 are unemployed. Nonagricultural employment increased 18,200 during the year. A 2,500 drop in manufacturing was more than offset by a 20,700 increase in nonmanufacturing. Industries with the largest gains were services (7,800), construction (6,600), and apparel (4,300). Large losses occurred in fabricated metal products (3,000), and federal government (2,700).

UNEMPLOYMENT The state's unemployment rate rose to 6.8 percent during July. The 1.0 percent increase over June's figure came as 17,400 more workers were without jobs. The unemployment rate one year ago was 5.8 percent.

HOURS AND EARNINGS Average weekly earnings of Tennessee production workers increased only $.55 a week in July; going to $218.95 a week. The average weekly hours also showed a small increase going from 40.0 hours to 40.1 hours. Average hours and earnings for durable goods declined slightly with average weekly earnings dropping from $227.05 to $222.95 (1.8 percent) and the weekly hours down from 40.4 hours to 39.6 hours. The largest loss was in the fabricated metal products industry where the average weekly wage fell $16.20 (6.7 percent) to $226.20 and the hours dropped from 40.0 hours to 39.0 hours. This was due to less overtime at premium pay. Nondurable goods average hours and earnings increased slightly from 39.5 hours to 40.4 hours a week and the average wage increased from $209.74 to $214.52 (2.3 percent). Food and kindred products showed the largest increases with the average weekly wage going from $224.40 to $233.54 (4.1 percent) and the weekly hours going from 40.0 hours to 40.9 hours. More overtime at premium pay caused this rise.

LABOR FORCE SUMMARY (In thousands)

	July 1979	June 1979	July 1978	Change From: June 1979 Net	June 1979 %	July 1978 Net	July 1978 %
Civilian Labor Force	2,016.1	1,993.8	1,911.6	+22.3	+1.1	+104.5	+5.5
Employment 1/	1,907.6	1,890.2	1,809.1	+17.4	+0.9	+98.5	+5.4
Unemployment	108.5	103.6	102.5	+4.9	+4.7	+6.0	+5.9
Percent of Labor Force	5.4	5.2	5.4	+0.2	---	---	---
U. S. Unemployment Rate	5.8	5.9	6.0	-0.1	---	---	---

1/ Includes persons involved in labor-management dispute.

HOURS AND EARNINGS OF PRODUCTION WORKERS

	Average Weekly Earnings July 1979	Average Weekly Earnings June 1979	Average Weekly Earnings July 1978	Average Weekly Hours July 1979	Average Weekly Hours June 1979	Average Weekly Hours July 1978	Average Hourly Earnings July 1979	Average Hourly Earnings June 1979	Average Hourly Earnings July 1978
All Manufacturing	$218.95	$218.40	$202.99	40.1	40.0	39.8	$5.46	$5.46	$5.10
Durable Goods	222.95	227.05	206.68	39.6	40.4	38.9	5.63	5.62	5.31
Lumber & Wood Prod.	137.10	146.33	147.07	38.6	39.8	38.5	4.07	4.03	3.82
Furniture & Fixtures	160.55	170.43	156.02	38.0	39.0	39.1	4.36	4.37	3.99
Stone, Clay & Glass Prod.	288.42	297.03	280.62	41.0	41.1	41.0	6.85	7.06	6.62
Primary Metal Prod.	291.90	290.93	257.91	42.0	41.8	41.0	6.95	6.96	6.29
Fabricated Metal Prod.	226.20	242.40	221.72	39.0	40.0	38.3	5.80	6.06	5.68
Machinery, Including Elect.	222.74	225.44	199.68	39.9	40.7	39.3	5.55	5.54	5.03
Instruments & Related Prod.	180.56	180.87	181.05	37.0	37.0	38.1	4.88	4.82	4.63
Nondurable Goods	214.52	209.74	200.19	40.4	39.5	39.8	5.31	5.31	5.03
Food & Kindred Prod.	233.54	224.40	220.00	40.9	40.0	41.2	5.71	5.61	5.34
Textile Mill Prod.	173.80	173.49	161.31	39.5	39.7	39.4	4.40	4.37	4.11
Apparel	161.19	157.92	141.75	40.3	37.6	38.1	3.98	4.20	3.71
Paper & Allied Prod.	277.22	279.68	268.38	41.3	41.7	42.4	6.68	6.55	6.32
Chemical & Allied Prod.	294.26	291.20	274.39	40.7	40.5	41.0	7.17	7.14	6.79
Rubber & Plastic Prod.	228.48	231.08	194.21	40.5	41.4	42.2	5.64	5.45	5.00
Leather & Leather Prod.	168.95	170.13	161.79	39.6	39.9	37.2	4.31	4.34	4.08

EMPLOYMENT SECURITY ACTIVITIES

	TOTAL July 1979	TOTAL June 1979	DISADVANTAGED July 1979	DISADVANTAGED June 1979	NON-WHITE July 1979	NON-WHITE June 1979	VETERAN July 1979	VETERAN June 1979
New Applications	25,755	32,721	12,438	17,471	5,868	12,823	2,581	3,498
Testing	1,291	2,054	427	661	223	344	134	159
Enrolled in Training	623	718	351	383	134	230	54	68
Nonagricultural Placement	16,189	17,842	10,489	7,231	3,648	4,797	1,749	1,731
Counseling	2,304	5,132	1,213	2,066	592	1,994	186	543

CHATTANOOGA SMSA

EMPLOYMENT Nonagricultural wage and salary employment in the Chattanooga SMSA subsided by 2,100 workers between mid-June and mid July. A seasonal layoff of nonprofessional employers in public schools and certain industries closing for vacation accounted for the vasy maj rity of the employment decline between montns. The present level of nonagricultural wage and salary employment stands at 165,900.

OVER THE YEAR Nonagricultural wage and salary employment has decreased 2,400 or 1.4 percent. Industries affected the most by the decline were; retail trade, contract construction and primary metals. Labor management disputes account for a small part of the drop along with a downturn in the local economy. The level of nonagricultural wage and salary employment a year ago was 168,300.

UNEMPLOYMENT As of mid-July was 13,400 or 7.0 percent of a labor force of 190,900 as compared with 11,500 or 6.0 percent of a labor force of 190,800 in mid-June and 10,900 or 5.9 percent of a labor force of 184,500 in July 1978.

HOURS AND EARNINGS Chattanooga production workers received an average decrease in weekly wages of $6.98 (3.4 percent), dropping the average weekly paycheck to $223.44 for the month of July. The average weekly hours for the same period dropped from 41.0 to 39.9 hours a week. Durable goods accounted for the loss; dropping from $259.36 to $243.41 a week (6.1 percent). The hours also declined 1.8 hours per week in durable goods. The biggest drop came in the fabricated metals industry where the average weekly wage dropped $42 (14.2 percent). Nondurable goods fared better, going from $205.02 a week to $206.04 (0.5 percent), though the average weekly hours declined be 0.5 hours. The increase in nondurable goods was supported by the paper and allied products industry which netted production workers an average of $43.17 (15.2 percent) more a week.

LABOR FORCE SUMMARY (In thousands)

	July 1979	June 1979	July 1978	Change From: June 1979 Net	June 1979 %	July 1978 Net	July 1978 %
Civilian Labor Force	190.9	190.8	184.5	+ 0.1	+ 0.1	+ 6.4	+ 3.5
Unemployment	13.4	11.5	10.9	+ 1.9	+ 16.5	+ 2.5	+ 22.9
Percent of Labor Force	7.0	6.0	5.9	1.0		1.1	
Total Employment	177.5	179.3	173.6	- 1.8	- 1.0	+ 3.9	+ 2.2

(1) Includes persons involved in labor/management disputes.

ESTIMATED NONAGRICULTURAL EMPLOYMENT (In thousands)

INDUSTRY	July 1979	June 1979	July 1978	Net Change June '79 to July '79	Net Change July '78 to July '79
TOTAL	165.9	168.0	168.3	- 2.1	- 2.4
Manufacturing	51.1	54.0	51.1	- 2.9	0.0
Durable Goods	31.1	34.0	31.1	- 2.9	0.0
Lumber (except furniture)	1.8	1.8	1.8	0.0	0.0
Stone, Clay and Glass	1.9	2.0	1.8	- 0.1	+ 0.1
Primary Metals	4.0	5.0	4.1	- 1.0	- 0.1
Fabricated Metal Prod.	4.1	5.1	4.1	- 1.0	0.0
Machinery (except elec.)	3.4	3.7	3.1	- 0.3	+ 0.3
All Other	14.9	16.4	14.8	- 1.5	+ 0.1
Nondurable Goods	20.0	20.0	20.0	0.0	0.0
Food Products	4.8	4.9	4.8	- 0.1	0.0
Textile Mill Products	11.0	11.0	11.0	0.0	0.0
Knitting Mills	3.4	3.4	3.4	0.0	0.0
Apparel	1.1	1.1	1.1	0.0	0.0
Paper Products	1.4	1.5	1.5	- 0.1	- 0.1
Printing and Publishing	1.4	1.4	1.4	0.0	0.0
Chemicals	0.4	0.4	0.4	0.0	0.0
All Other	1.3	1.4	1.3	- 0.1	0.0
Nonmanufacturing	113.8	114.0	113.2	- 0.2	+ 0.6
Mining	0.3	0.3	0.3	0.0	0.0
Construction	5.6	5.7	5.4	- 0.1	+ 0.2
Trans., Comm., and Pub. Util.	8.4	8.4	8.4	0.0	0.0
Trade	30.1	30.1	30.0	0.0	+ 0.1
Wholesale Trade	6.1	6.1	6.1	0.0	0.0
Wholesale Durable Goods	3.4	3.4	3.4	0.0	0.0
Wholesale Nondurable Goods	2.7	2.7	2.7	0.0	0.0
Retail Trade	23.9	23.9	23.9	0.0	0.0
Finance, Ins. & Real Estate	7.1	7.1	7.1	0.0	0.0
Service	19.3	19.3	19.3	0.0	0.0
Government	33.0	33.1	32.7	- 0.1	+ 0.3
Federal	5.4	5.5	5.4	- 0.1	0.0
State and Local	27.6	27.6	27.3	0.0	+ 0.3

Includes Hamilton, Marion, Sequatchie Counties, Tennessee and Catoosa, Dade, Walker Counties, Georgia.

HOURS AND EARNINGS OF PRODUCTION WORKERS

	Average Weekly Earnings July 1979	June 1979	July 1978	Average Weekly Hours July 1979	June 1979	July 1978	Average Hourly Earnings July 1979	June 1979	July 1978
All Manufacturing	$223.44	$230.42	$207.76	39.9	41.0	39.8	$5.60	$5.62	$5.22
Durable Goods	243.41	259.36	227.07	40.1	42.0	39.4	6.07	6.18	5.76
Stone, Clay & Glass Prod.	255.81	259.36	228.64	37.4	38.3	36.7	6.77	6.77	6.23
Iron & Steel Foundries	255.26	278.52	240.83	40.7	42.2	41.8	6.27	6.60	5.76
Fabricated Metal Prod.	232.72	296.72	234.09	40.5	42.8	40.2	5.74	6.93	5.82
Machinery, Except Elec.	240.43	253.34	219.31	41.8	44.4	40.5	5.75	5.70	5.41
Nondurable Goods	205.04	205.02	192.96	39.7	40.2	40.2	5.17	5.10	4.80
Textile Mill Products	183.75	188.08	168.08	39.6	40.0	41.5	4.64	4.70	4.05
Knitting Mills	148.27	147.00	133.96	38.1	38.0	38.4	3.89	3.87	3.49
Paper & Allied Prod.	324.31	281.14	328.59	44.5	43.7	44.8	7.29	6.43	7.34
Chemicals & Allied Prod.	321.84	321.84	285.21	42.1	42.1	42.1	7.65	7.65	6.78

EMPLOYMENT SECURITY ACTIVITIES

	TOTAL July 1979	June 1979	MANUFACTURING July 1979	June 1979	NON-WHITE July 1979	June 1979	VETERANS July 1979	June 1979
New Applications	1,028	1,231	474	1,227	449	541	368	441
Testing	130	174	53	99	57	82	25	34
Enrolled in Training	54	59	50	46	7	14	4	7
Nonagricultural Placements	747	911	484	421	253	224	140	161
Counseling	216	224	144	216	84	87	40	54

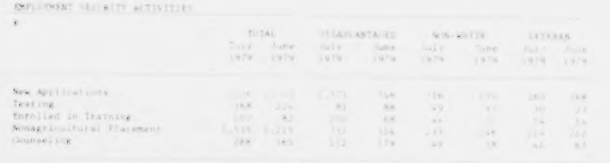
KNOXVILLE SMSA

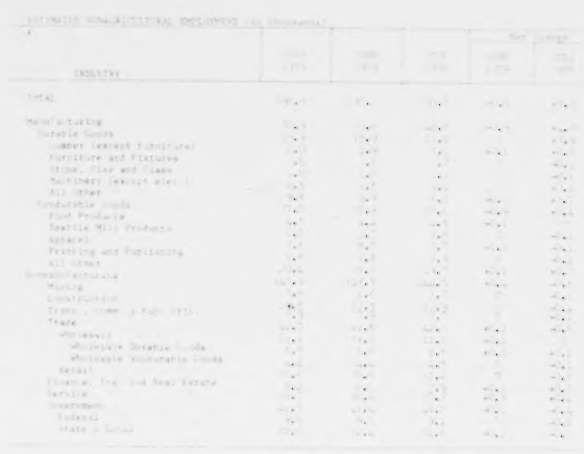
EMPLOYMENT Vacation period layoffs contributed to an overall loss of 500 in nonagricultural employment between June and July. The manufacturing sector dropped 900 as durable goods remained unchanged while nondurable goods were down 900. There was a drop of 1,100 in apparel which was the result of temporary layoffs. The nonmanufacturing sector was up 400 as services gained 300 while other industries recorded smaller changes.

OVER THE YEAR Over the year, nonagricultural employment recorded a gain of 3,700. Durable goods recorded a gain of 3,900, including an increase of 3,700 in all other durable goods. This substantial gain was the result of a labor-management dispute having lowered employment during July 1978. The nonmanufacturing sector recorded a loss of 600 over the year as trade lost 600 while both government and construction lost 400. Transportation, communication and public utilities recorded a gain of 200, finance, insurance and real estate gained 300 and services were up 400.

UNEMPLOYMENT Unemployment estimates totaled 9,600 or 4.6 percent of the labor force of 210,600 in July 1979 as compared with 9,100 or 4.4 percent of the labor force of 209,000 in June and 15,500 or 7.6 percent of the labor force of 205,100 in July 1978.

HOURS AND EARNINGS Average weekly earnings of Knoxville production workers increased $3.37 (1.2 percent) to $261.76 a week. The average weekly hours also increased, going from 40.5 hours to 40.9 hours. Durable goods stayed just about the same with the average weekly paycheck increasing from $290.65 to $291.62 a week while the hours declined 0.1 hours to 41.6 hours a week. Nondurable goods increased in both weekly hours and earnings. The weekly wage increased from $239.99 to $251.69 a week, a change of $11.70 (4.9 percent) a week. The average weekly hours increased slightly, going from 39.8 hours to 40.4 hours. The largest gain was made in food and kindred products, rising $13.75 (6.4 percent) a week and bringing the weekly paycheck to $227.00. The average workweek increased from 44.8 hours to 46.9 hours.





MEMPHIS SMSA

EMPLOYMENT Nonagricultural wage and salary employment in the Memphis SMSA was 353,500 in July 1979; an increase of 300 over June. Employment gains in the nonmanufacturing sector were nearly offset by losses in the manufacturing sector. No manufacturing industry had a gain or loss exceeding 100 employees. Likewise the nonmanufacturing industries were pretty stable with only the service industry, with an increase of 600, showing a very substantial change.

OVER THE YEAR Compared to July 1978, nonagricultural wage and salary employment was 3,500 higher in July 1979. Most of the increase occurred in the nonmanufacturing sector; the largest being in the service industry. Gains in several manufacturing industries were offset by losses in food products.

UNEMPLOYMENT In July 1979, an estimated 21,600 persons were unemployed; an increase of 900 over June. The unemployment rate increased from 5.4 percent of the civilian labor force in June to 5.6 percent in July. Compared to July 1978, the number of unemployed persons was 100 lower. The unemployment rate in July 1978 was 5.9 percent of the civilian labor force.

HOURS AND EARNINGS Memphis production workers made slightly less this month with the average weekly wage dropping from $258.22 to $256.86 (0.5 percent). The average weekly hours also declined by 0.9 hours, from 40.6 hours to 39.7 hours a week. Durable goods declined in both weekly hours and hourly earnings, with the hours going from 40.5 hours to 39.7 hours a week and the average weekly paycheck dropping from $243.40 to $238.60 (2.0 percent). The largest decrease came in the lumber and wood products industry which dropped $17.04 (8.7 percent) a week to $178.18. The hours also declined from 41.1 hours to 38.4 hours. The nondurable goods stayed about the same with the average weekly wage going from $272.95 to $273.24 a week.

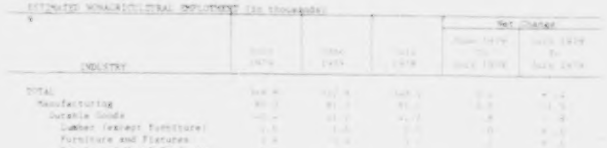
NASHVILLE SMSA

EMPLOYMENT With the exception of finance, insurance, and real estate every sector of the nonagricultural employment remained constant or showed a diminution in employment. If this portends things to come the predicted recession may not be as mild as suggested. On the other hand this situation may be an anomaly; an adjustment resulting from capacity ceilings, bottlenecks etc. Figures over the next couple of months should give better indication of the economic situation.

OVER THE YEAR Nonagricultural employment increased slightly from July 78 to July 79. The 400 increase was the result of a 1,500 decline in manufacturing and a 1,900 gain in no nufacturing. Finance, insurance and real estate again recorded the largest gain in the private sector with 800. State and local government had the largest gain of all with 1,300. Industries sustaining the greatest losses were transportation (700) and all other durable goods (500). The federal government also lost 500 workers.

UNEMPLOYMENT Unemployment increased from 4.6 percent of the labor force in June 79 to 5.5 percent in July. The labor force increased by 2,300 from June to July. The number unemployed increased by 3,600; the number employed declined by 1,300. Of the SMSA counties Dickson County recorded the sharpest increase in unemployment; jumping from 6.7 percent in June to 13.0 percent in July. Sumner and Wilson counties were least affected over the month. Sumner's unemployment rate rose from 6.8 percent to 6.9 percent while Williamson's rate went from 2.9 percent to 3.0 percent.

HOURS AND EARNINGS The average Nashville production worker will take home slightly less this month with the average weekly wage dropping from $239.72 to $239.20. The weekly hours declined 0.7 hour to 40.0. Both hours and earnings for durable goods declined, dropping from $252.76 to $249.38 (1.3 percent) a week while the hours declined from 41.3 to 39.9 a week. Nondurable goods hours and earnings increased slightly with the average weekly wage going from $224.40 to $228.90 (2.0 percent) and the average weekly hours going from 40.0 to 40.3 hours. The largest gain was made in the food and kindred products industry where the average weekly wage went from $240.66 to $267.15 (11.0 percent) and the weekly hours increased from 38.2 to 40.6.



TRI-CITIES SMSA

EMPLOYMENT Nonagricultural wage and salary employment increased by 700 during the period June 1979 to July 1979. Manufacturing increased by 500. Durable goods remained the same while nondurable goods increased by 500 jobs. The largest gain in manufacturing came in the food products industry (400). Nonmanufacturing employment increased by 200 jobs. The nonmanufacturing gains were concentrated in trade (200), services (100), and government.

OVER THE YEAR Compared with one year ago, nonagricultural wage and salary employment increased by 2,800 workers. Increased employment in durable goods (up 1,000) was partially offset by a loss in nondurable goods (down 300) thereby permitting manufacturing a total gain of 700. Nonmanufacturing employment increased by 2,100. Seven industrial segments expanded employment and seven reduced employment during the year. The largest gains came in all other durable goods (1,700), services, (1,300), government (1,000), and construction (900). Industries with the largest losses were trade and furniture and fixtures, both with 600 fewer workers.

UNEMPLOYMENT Unemployment as of mid-July was 10,900 or 6.1 percent of a labor force of 178,700, compared with 8,800 or 5.0 percent of a labor force of 175,200 as of mid-June. One year ago unemployment was 9,400 or 5.6 percent of a labor force of 167,200.

CONSUMER PRICE INDEX

CONSUMER PRICE INDEXES FOR ALL URBAN CONSUMERS AND URBAN WAGE EARNERS AND CLERICAL WORKERS
U. S. CITY AVERAGE (1967=100)
UNADJUSTED
AUGUST 1979

Group	ALL URBAN CONSUMERS			URBAN WAGE EARNERS & CLERICAL WORKERS		
	Index July 1979	Percent Change to June 1979 from June 1979	Percent Change to July 1979 from July 1978	Index July 1979	Percent Change to July 1979 from June 1979	Percent Change to July 1979 from July 1978
ALL ITEMS	218.9	1.1	11.3	219.4	1.2	11.5
ALL ITEMS (1957-59=100)	254.6	-	-	255.2	-	-
FOOD AND BEVERAGES	230.7	0.6	10.0	230.9	0.7	10.2
HOUSING 1/	228.4	1.3	12.1	228.4	1.3	12.2
APPAREL AND UPKEEP	164.3	-0.8	4.0	164.5	-0.5	4.0
TRANSPORTATION	216.6	1.9	15.7	217.8	1.9	16.0
MEDICAL CARE	239.9	0.9	9.3	240.5	1.0	9.6
ENTERTAINMENT 1/	189.1	0.5	6.8	188.6	0.6	7.0
OTHER GOODS AND SERV.1/	195.2	0.4	6.6	195.1	0.4	6.2
SPECIAL GROUPS:						
COMMODITIES	210.5	1.0	11.6	211.0	1.1	11.8
SERVICES	234.7	1.1	10.9	235.1	1.2	11.1
PURCHASING POWER OF THE CONSUMER DOLLAR:						
1967=$1.00	$.457	-1.1	-10.0	$.456	-1.1	-10.2
1957-59=$1.00	$.393	-	-	$.392	-	-

1/ Index applies to a month as a whole, not to any specific date

For detailed breakouts of the above categories, contact:

SOUTHEASTERN REGIONAL OFFICE
SUITE 540 - 1371 PEACHTREE STREET, N. E.
ATLANTA, GEORGIA 30309
TELEPHONE: 404-881-4418

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